Data Toolkit

GETTING STARTED

This document forms a part of the Maturity Matrix framework:

INSIGHTS (A): DATA

INVESTING ETHNICITY

THE IMPORTANCE OF DATA

HR Systems, disclosure rates, categorisation and communications are the biggest challenges to collecting ethnicity data. Data underpins creating and measuring impactful strategy. Here are the main points on why businesses are now collecting ethnicity data.

Ethnicity Pay Reporting

Companies are now voluntarily disclosing their ethnicity pay gap in line with gender. This has been prompted by the Government's consultation in 2018 and speculation to include ethnicity within mandatory reporting.

Representation

There is a lack of senior representation across most industries and low retention rates within the middle of the pipeline. Without usable data, companies can only use a visual barometer to measure ethnic representation.

Measuring Success & Buy in

Whilst organisations are putting in place measures to improve equity within the workplace and change culture, without data it is impossible to measure success of implementing change. Data also helps get buy in from board level.

Accountability

We are now seeing organisations successfully align data to the performance of business lines and making management accountable through KPIs and targets by using live dashboards.

Resource Efficient

Improving company data to include different demographics has meant that organisations can monitor progression for different groups, this has proven to help implement equity measures within recruitment, progression and in attrition or retention rates across the business.

Intersectionality

Creating the right categorisation and capturing the correct data has become useful for spotting trends within intersectionality and identifying within particular groups if there are specific needs or barriers to progression.

# SUCCESSFUL DATA CAPTURE: GETTING STARTED

1. GET THE FOUNDATIONS RIGHT

 HR Systems can be quite antiquated. And if your organisation is still using one of the older clunky systems, we've heard that it's really hard to change categorisation or add new sections.
Ensure you have the right system to future proof your data collection and ensure that it's easy to access and fill out for your employees.

2. CATEGORISATION

 We recommend using the UK census categories (which have been updated with a new category for 2021), this way it's easy to compare your data to local working population. This will also give you a breakdown of the main ethnic demographics within your organisation for internal use. Please note, when voluntarily disclosing pay gap, these figures are usually recorded as white and non-white or in broad ethnic minority groups.
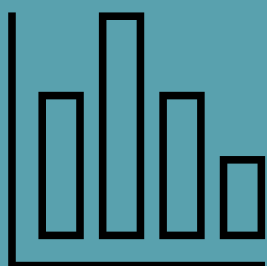
BROAD CATEGORIES

- Asian British, Asian Welsh"
- "Black, Black British, Black Welsh, Caribbean or African"
- "Mixed or Multiple"
- "White"
- "Other ethnic group"

DISCLOSURE (DECLARATION) RATES

In the UK, unlike with gender, it is not compulsory to declare your ethnicity. Therefore there should be a 'prefer not to say' option, or similar.

Getting reasonable disclosure rates is one of the biggest challenges to getting usable data. To ensure your employees to disclose ethnicity, and other protected characteristics, it's important to convey exactly what the data is being used for (see Channel 4's guide).

Organisations reported back that once the messaging around what the data was used for and who would see it was out, the biggest challenge was encouraging people to find the time to fill in their data. Little reminders are helpful, but ensuring the process isn't overcomplicated is key.

THINGS TO CONSIDER:

Create a communication plan

It is vital to engage your comms team and build a consistent and continuous plan. This doesn't just include the comms launching your data collection, but also any reminders and FAQ emails that may go alongside that. Additionally, it is important to use events such as townhalls to promote data collection and to allow employees to ask questions about

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"Once colleagues saw how data was being used, through reporting and dashboards, we saw better declaration rates."

DISCLOSURE RATES

We recommend that useable data needs to be over 70%, however data gets more accurate as you get to 90% disclosure rate.

  TIPS

Business departments have been made accountable for their disclosure rates. Department heads ensured that the correct comms filtered through their teams through line-manager communications. This helped ensure disclosure rates increased.

data collection. Remember to explain why you are collecting the data at every opportunity.

Your communication needs to be consistent throughout. It must explain the purpose of the data collection, stress that the data will be used anonymously, and be clear about what the data is being used for. The overall aim is to get employees to update their data on HR systems because they believe you are collecting diversity data to help wider business goals.

Utilise your platforms

Use varied marketing methods, such as your intranet, WorkDay, posters, email signatures, Teams backdrops, screensavers, entrance and canteen signage, videos and social campaigns.
Utilise network groups to help build a communication strategy and send consistent messaging to their members.

Engage leaders

Ensure business leads are accountable for disclosure rates through education and feel equipped to have a conversation on the importance of diversity data. Leadership are key to getting buy-in from others and can act as ambassadors for your data collection drive.
Organisations have reported that once senior leadership started feeling accountable for disclosure rates within their business areas, there was more activity around communication in this area, and therefore better results. People managers can also help to drive conversations and reminders on why updating your HR data is important.

Use natural checkpoints

Use natural checkpoints to nudge people into updating their HR details, i.e. changing to a new system, launching a report, moving role, onboarding, etc. Ensure everyone who is onboarding or put into a new role understands the importance of diversity data when completing their HR details.
One organisation said that the biggest jump in disclosure was when they implemented a new HR system, as this created a reason for people to add their details.

Avoiding the 'skip' issue

Some organisations have omitted using 'skip' in their forms, as this nudges employees to have to consciously tick 'prefer not to say'. Organisations reported that a large number of those not disclosing was formed of those who skipped the question. This made it difficult to ascertain whether this was because of not wanting to disclose or to fill in the form quickly.

RESOURCE

What's it got to do with you 10 Reasons you should fill in your personal information at Channel 4

LINK

What's it got to do with you?
10 reasons why you should fill in your personal information at Channel 4

TIPS

Screen savers and pop ups have been used to give continuous reminders on company intranets, so when employees logged on they would get a message asking if they have completed their data. *Example from Bank of England*
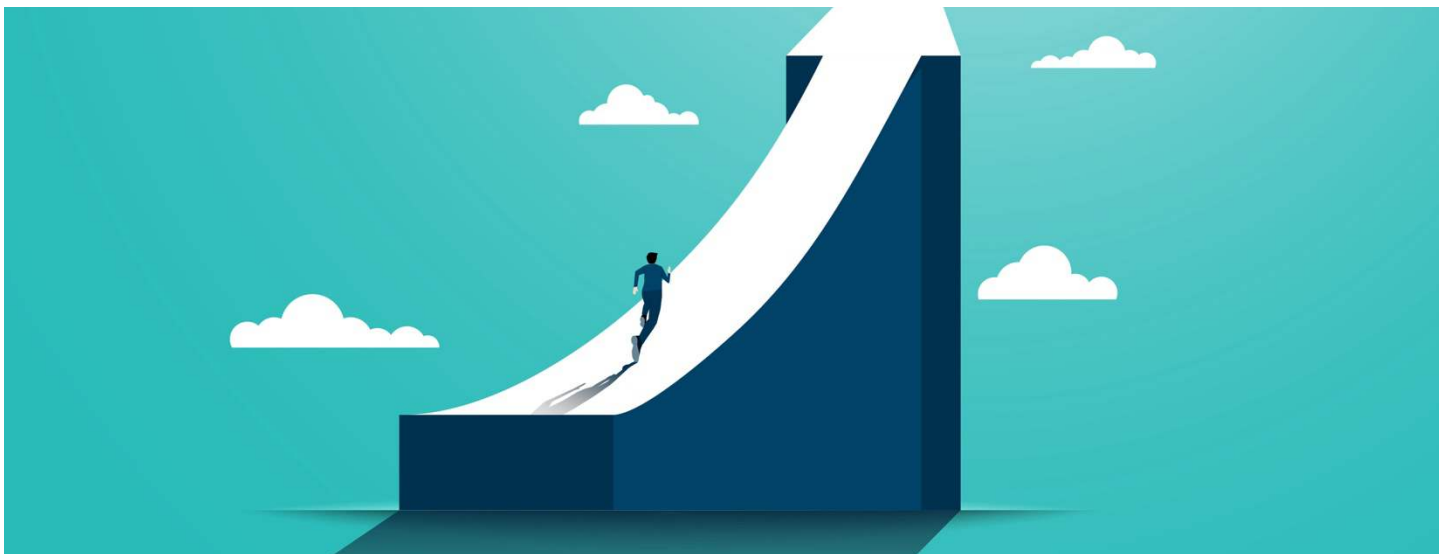
CASE STUDY: HSBC UK

HSBC UK was one of the founding members of Investing in Ethnicity, and we are proud to have worked with the organisation and the All-Party Parliamentary Group over the past seven years to help shape the Maturity Matrix and drive change by using the Matrix as a framework within our organisation. Additionally, we contributed to shaping the recommendations for other businesses beginning their journey.

HSBC UK's Commitment to Diversity

HSBC UK serves around 14.5 million customers across the UK, supported by 32,000 colleagues. We felt that to be reflective of Britain and its growing diverse population, we needed to put the ethnicity agenda as a priority within our inclusion efforts. This began with collecting diversity data.

Collecting Diversity Data

Understanding our colleague population was the first step to identifying the barriers, being able to talk to leadership and the business, and getting their engagement and sign-off on ensuring we can put the correct equity measures in place. Collecting data on ethnic groups has been a long-term process, and we recognised the first steps were to build colleague confidence; our self-declaration rate is now 89%.

Communication Campaign

For those looking to start collecting ethnicity data, the biggest challenge is ensuring colleagues feel confident in declaring their ethnicity. We began with an informed communication campaign supported by colleagues from ethnic groups. This campaign aimed to explain who saw the data, what it was used for, and how data would help support our business strategy.

"Each Inclusion Spotlight is tasked with speeding up the pace of change and delivering significant measurable improvements in outcomes experienced by a diverse group and does so against a dedicated 3Rs plan including KPIs"

Setting Targets and Commitments

We have since set targets and made a series of commitments to support more Black and other ethnically diverse colleagues to succeed, including at least doubling the number of Black employees in senior leadership globally by 2025.

Impact of Data

As a result of collecting data and showcasing the business case, we have been able to build the rationale for delivering targeted equity measures. We now have over 1,000 Black and ethnic minority colleagues who have been supported through dedicated career development programmes.

Ethnicity Pay Gap Report

Our Ethnicity Pay Gap report has been published since 2021 and includes a breakdown by ethnicity groups. Our leadership teams are now more engaged. We regularly review what our data is telling us, and our Inclusion Spotlights are strategic programmes of work focused on one particular area of diversity and inclusion. Each is led by an Executive on behalf of the Executive Team, in partnership with our ERGs and Inclusion Team. Each Inclusion Spotlight is tasked with speeding up the pace of change and delivering significant measurable improvements in outcomes experienced by a diverse group and does so against a dedicated 3Rs plan including KPIs.

Progress and Accountability

Progress is reported regularly to the Executive team and through twice-yearly updates to all colleagues. The 3Rs Plan ensures that our leaders are accountable and data is key to being able to measure the successes of our plan, which includes performance review processes, quarterly reporting for our Executive Team, and their engagement through sponsoring specific programmes.
As a UK bank with strong connections to markets around the world, HSBC understands the benefits that diversity brings to its customers, business, and people. HSBC is proud of its inclusive and diverse culture but also knows there is always more to do.
s to in 2024.

FURTHER INFORMATION

ETHNICITY PAY GAP REPORTING

Ethnicity Pay Gap Reporting has been a hot topic since the Government launched its consultation in 2018, and more recently through the King's speech and Labour's Manifesto. Since then companies have taken the lead in voluntary reporting alongside an action plan. We have found getting data is key to measuring success and aiding accountability. Disclosing your pay gap is critical in aiding transparency and belonging within your organisation.
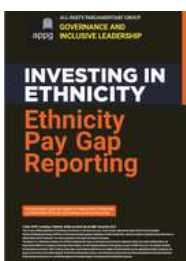
If you would like guidance on this or support in aiding your data journey, including disclosure rates, please contact us.

Who is releasing their pay gap?

List of companies disclosing their data

APPG Ethnicity Pay Gap Report
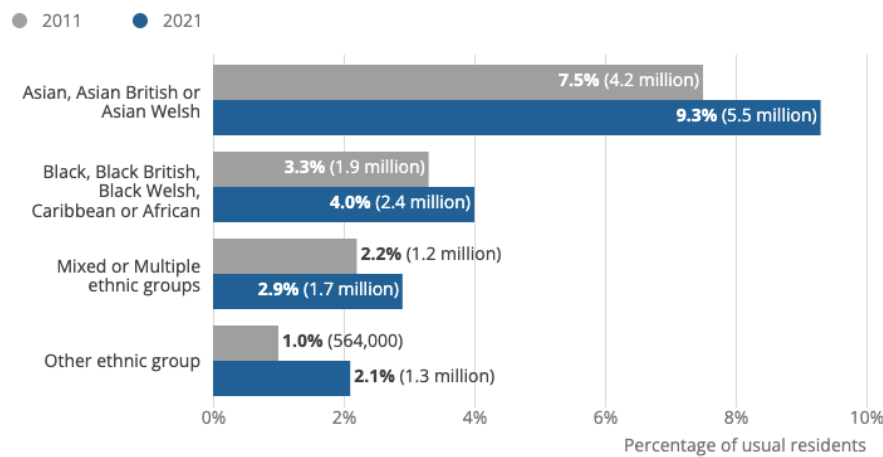

Download the All-Party Parliamentary report that we worked on in 2019. We will be compiling an updated version in 2024.

Read the APPG report

CURRENT CENSUS DATA

The Census in the UK is carried out every decade, the last version was captured in 2021.

Source: Census 2021